

November 2, 2010

Ex Parte Notice

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, WC Docket No. 09-51; *High-Cost Universal Service Support*, WC Docket 05-337; *Universal Service Reform*; *Mobility Fund*, WT Docket No. 10-208; *Rural Health Care Universal Service Support Mechanism*, WC Docket No. 02-60

Dear Ms. Dortch:

On November 1, 2010, Christopher Nierman, Director, Federal Regulatory Affairs, of General Communication Inc. ("GCI") and I met with Zachary Katz, Legal Advisor to the Chairman and Carol Matthey, Deputy Bureau Chief, Wireline Competition Bureau. We provided the attached written presentation, summarizing many of the points made. In addition, we stated our agreement with the National Broadband Plan model that broadband infrastructure deployments are best sustained when providers are able to aggregate the demand of entire communities, including anchor tenants (such as rural health clinics, schools and governments), other enterprise services, and the mass market. GCI's deployments in rural Alaska have followed this model. GCI is in the middle of both a substantial deployment of wireless services to rural Alaskan areas that have never before had wireless services, as well as a terrestrial fiber/microwave middle-mile network to southwestern Alaska, which has been funded, at successive times and for different network segments, through the RUS Distance Learning and Telemedicine Program and the Broadband Infrastructure Program. A significant challenge for GCI and Alaska is finding ways to fund the continued deployment of the terrestrial middle-mile facilities necessary to deliver the NBP's broadband targets in off-road, rural Alaska.

Over time, we believe that economies of scale and scope will be critical to delivering cost-effective universal service to all of Alaska, tying together both rural and "urban" Alaska. In this regard, we raised concerns, previously outlined in GCI's comments, about the proposal in the Healthcare Infrastructure Program to require health care provider to have title to (or an IRU for) network facilities. By forcing such health providers to in effect function as network providers, this proposal will not only distract from the primary health care mission, but will also run counter to the idea that anchor tenants will serve as core *customers* on a service provider's network, which in turn will help to justify network deployment to the benefit of the entire community. While some especially large health care providers might be able to operate standalone network facilities, for areas with only a few anchor tenants serving small communities, it is much more likely that the healthcare provider will simply need network

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capacity. In GCI's experience, the current rural health care telecommunications and Internet access program is a sound framework within which to support rural telemedicine, albeit one that could be improved, as outlined in GCI's rural healthcare comments.

With respect to high cost reform, we emphasized that to prevent disruption of ongoing network deployments in Alaska, it remains critical for the FCC to maintain its current treatment of tribal lands. The FCC should do so for the duration of any transition to the new Connect America Fund, and not subject CETCs on tribal lands to an accelerated truncation of high-cost support, but keep CETCs on tribal lands on the same transition schedule as ILECs. By proceeding in this manner, the Commission will provide medium-term financial stability on tribal lands to support ongoing deployments while it transitions to the CAF. GCI is, in general, supportive of auctions to determine support for particular service areas, provided that those auctions can be competitively neutral and provide for combinatorial bidding. A situation in which ILECs received differential transition considerations from other CAF bidders would, however, not be competitively neutral.

Finally, with respect to the proposed Mobility Fund, we raised concerns that as proposed the Mobility Fund does not sufficiently protect against funding projects that carriers were already planning to undertake within the next few years, rather than those that would not have occurred but for the funding. Also, we expressed concern that a competitive award formula based on the number of added served persons or households would be skewed against low population areas like Alaska.

Please contact me if you have any questions.

Sincerely

A handwritten signature in blue ink, appearing to read "John T. Nakahata".

John T. Nakahata

Counsel to General Communication Inc.

Cc: Zachary Katz
Carol Matthey
Christopher Nierman